Scott II 44- 14,846—30-1-12.

Development **(1923) Department.**

Miscellaneous **SERIES.**

G.O. No. 1323

DATED 12-9-1913

[Despatch Abstract.]

Co-operative Societies - Mangalore Catholic Co-operative Society - Increased Divident - Sanctioned.

O.F. 29—9,886—22-1-16

DEPARTMENT.

Dev. 1990-III

Received ..... 191 *Registered* ..... 191 (30) MS

Subject

The Mangalore Catholic Co-operative Society--Loss sustained by defalcation--recoupment.

ENCLOSURES.
No. ....
Spare copies ....

B. No. 2901/1923.

Station Madras, *Dated the* 25th July 1923. 191

From (Name) H. H. Hood Esq., I.C.S

(Designation) Registrar of Co-operative Societies, Madras.

To The Secretary to the Government of Madras,

Development Department.

Fort St. George.

Madras.

I have the honour to forward herewith a memorial dated the 8th June 1923, from the members of the Managing Committee of the Mangalore Catholic Co-operative Society addressed to Government in the Development Department suggesting certain methods of recouping the loss sustained by the society by the defalcation of the former Secretary, Mr. V. M. Pinto.

MS- to info

Go 575 (D)
11.4.21

The

The Managing Committee submit three alternative proposals for the consideration of Government viz.,

(1) that the total loss should be recouped from the Reserve fund;

(2) that the excess of penal interest illegally collected from the borrowers during the previous years and subsequently added to the Reserve Fund should be distributed as dividend for 1921-1922 and

(3) that the shareholders should be given a dividend of 18 per cent out of the profits of 1922-23 to compensate for the loss of dividend during 1921-22.

2. The details of the defalcation of Mr. V. M. Pinto have already been reported to Government. Vide correspondence ended with G.O.No.575 Mis. Development, dated the 11th April 1921. Mr. Pinto was convicted and sentenced to undergo rigorous impriconment for three years and to pay a fine of Rs. 300/-, in default to suffer rigorous imprisonment for an additional year. His property which was heavily encumbered has been placed under the Official Receiver, South Canara, to whom the society has preferred a claim for Rs. 20,027-13-4 and it expects to recover about Rs. 5,000/- when the creditors are finally paid off. In the meantime Rev. Father Lunazzi whose deposit of Rs. 20,000 odd the Ex-Secretary had misappropriated demanded repayment of the deposit and when the society demurred to pay took the matter to Court. The case was, however compromised out of the court, the society agreeing to pay Rs. 20,000 to the depositor. In order to satisfy his claim in full, the Secretary of the society applied to the Assistant Registrar, Mangalore and then to the Registrar for permission to pay the whole amount out of the Reserve Fund. My predecessor Mr. Gray, held that the whole amount should not be drawn from the Reserve fund but should be debited to the general funds and that only the resulting net loss should be recouped from the Reserve fund. The society reiterated its demand for

permission

permission to draw from the Reserve fund but Mr. Gray adhered to his decision and observed that the proposal of the society would deprive the creditors of the margin of security and involve the payment of dividend out of the Reserve fund. I enclose copy of his letters R.C. dated the 18th March 1922, pp. 11 – 15 infra. 1196/1922 and R.C. 4616/1922 dated the 5th January 1923 which fully meet the arguments urged in favour of withdrawal from the Reserve fund. I am of opinion that the proposal does not deserve further consideration.

3. As regards the second point viz., the payment of dividend for 1921-1922, out of the amount illegally collected from the borrowers as penal interest and subsequently added to the Reserve fund, I think that the proposal cannot be accepted. If there was illegal excess collection it ought to be refunded to the parties from whom it was collected and not distributed as dividend among all shareholders. Even if the general body now decide that the excess collection should be refunded it cannot come out of the Reserve fund but should be debited to the general funds and will affect the dividend on share capital, for the current year Moreover the excess of penal interest collected was not added to the Reserve fund alone part was added to the profits distributed. The society cannot go back on this and withdraw the amount credited to the Reserve fund.

4. The third point is that in view of the fact that the shareholders were deprived of their dividend for the year 1921-22, the society may be permitted during this year, as a special case, to distribute a dividend out

out of profits at an enhanced rate subject to a maximum of 18 per cent, after making the statutory contribution to the Reserve fund. Rule IX (a) of the rules framed under the Act II of 1912 limits dividend on share capital to 9 per cent but the Government have powers under Section 46 of the Act to exempt any registered society from any of the provisions of the Act. When a similar difficulty arose in the case of the Christian Central Co-operative Bank the Government were pleased to authorise the Registrar, under section 46, to arrange for the audit of the accounts of the bank for a period of 18 months so as to enable it to declare a substantial dividend--Vide G.O.No. Mis. 392, Development, dated the 22nd March 1922. (E) The shareholders of the Mangalore Catholic Co-operative Society, some of whom have invested all their savings in the shape of share capital seem to have suffered by the non payment of dividend during 1921-22 and it is to compensate them for this loss that the present proposal has been put forward. Considering the extraordinary circumstances, I recommend that the society may be permitted as a special case, to declare a dividend up to a maximum of 15 per cent for one year. If Government approve the proposal the by-laws of the society will be temporarily amended by introducing a transitory by-law to permit the distribution of an enhanced rate of dividend.

p 23 of the Acts & Rules copy put up.

I have the honor to be,

Sir,

Your most obedient servant,

Registrar. 27.7.23

CN
27.7.23

5

No. 396

Mangalore

Dated 8th. June 1923.

To

The Secretary to Government,

Development Department.

B 2901
12.6.23

Through

The Registrar of Co-Operative Societies

MADRAS.

Sir,

Being aggrieved by the decision passed by the Registrar of Co-Operative Societies Madras, in his letter RC No. 387/22 dated 9th, February 1922 and confirmed in his letters 1196 & 4616 dated 18-3-22 & 5-1-23 respectively, the General Body of the M. C. C. C. Society Ld. in its meeting of the 4th. March 1923 resolved that a memorial be addressed to the Local Government and in pursuance of that resolution we the members of the Managing Committee beg to submit this memorial to revise and modify the decision of the Registrar for the following among other reasons.

2 Before adducing those reasons we submit that for a clearer understanding of the case a brief review of the circumstances connected with it is essential. The Director of Fr. Muller's Charitable Institutions, Kankanady, had at his own residence entrusted to the then Secretary, Mr. V. M. Pinto, a sum of Rs 18 000 to be invested as a fixed deposit in the Society. The Secretary entered the amount in the Pass Book of the depositor without making the necessary entries in the Registers of the Society. When this defalcation came to light and the Very Rev. Fr. Lunazzi, the then Director of the said Institutions, claimed the deposit the General Body refused to recognize the claim on the ground that the amount was entrusted to Mr. V. M. Pinto outside the office and that therefore he received it in his

personal capacity and not as Secretary of the Society. The Depos: tor had recourse to a Court of Law.

3 The Registrar of the Co-Operative Societies, the late Mr. Hemingway, fearing that the credit of the Society would be seriously imperilled, if the depositor's claim were recognized by the Court, earnestly advised the Managing Committee at a conference with them to compromise the suit in the best interests of the Society and he then assured the Committee that the depositor's claim would be met frpm the Reserve Fund. Another meeting of the General Body was accordingly called but it confirmed its previous decision. In the meantime the confidence of the public in the Society was greatly shaken and deposits were withdrawn and as a result the Society for some time ceased advancing loans. In November 1921, a new Managing Committee was elected. Though the Society had a fairly good case, the Managing Committee feeling that a compromise was essential for the credit of the Society was able with great difficulty to persuade the General Body to have the suit compromised, holding out to them the assurance of the Registrar that the amount in question would be paid out of the Reserve Fund of the Society. Accordingly the case was settled out of Court for Rs. 20,000 payable by the Society to the depositor.

4. When permission was sought from the Registrar to sanction the payment of Rs 20,000 out of the Reserve Fund, he ordered in his letter R.C. No. 387 dated 9th. February 1922 " that the entire amount due to Rev. Fr. Lunazzi on account of the misappropriation by the late Secretary of the Society must be debited to the general funds. The year's working will result in a loss and this may be made good by reducing the Reserve Fund to that extent. " Further representations were made for reversing this decision but the Registrar confirmed his original decision. Accordingly the amount paid to Fr. Lunazzi being debited to general funds, the year's working resulted in a net loss of Rs. 6,467-10-9 which was however allowed to be recouped from the Reserve Fund.

5 We beg to submit that the order of the Registrar that only the resultant loss should be met from the Reserve Fund is a

violation of the oral assurance of his predecessor that the entire claim of the depositor would be met from the Reserve Fund The shareholders loudly complain against the Managing Cmmittee that they held out false hopes, deprived the Society of the chance of winning the case and into the bargain defrauded the shareholders of their hardearned dividend.No wonder that there was a great uproar at the last General Meeting and though the Managing Committee faced the situation boldly, as the Registrar had advised them, the shareholders would not be pacified and insisted on having their grievance redressed. Hence this memorial.

6. Mr. Gray, the Registrar contends that our proposal to meet the Very Rev. Fr. Lunazzi's claim from the Reserve Fund involves payment of a dividend to shareholders out of the Reserve Fund. We do not see how this contention can hold good. For, if the entire claim of Fr. Lunazzi were written off from the Reserve, as Mr. Hemingway would, the working of the year 1921-22 would have been unaffected by that payment and the shareholders would have received their just dividend from the profits of that year which would otherwise have come up to Rs 10,316-10-5.

7. The Registrar's interpretation that " the Reserve Fund is intended to meet the net loss of the Society as a result of its working in a particular year " runs counter to the accepted notion as to how the Reserve Fund is to be utilized. The shareholders of the Society without exception were under the impression that the Reserve Fund could be utilized to meet losses on individual items. Nay, when at the inception of the Society, members did not realize the utility of the Reserve Fund, they were even told expressly by members of the Managing Committee, on the assurance of the Registrar at his private conferences with them, that the Reserve Fund is intended for meeting bad debts and such other losses. This belief is borne out by the following fact. It was found out that a large amount of penal interest had been unduly collected from borrowers for a number of years and it was resolved at the General Meeting held on 22nd. August /2o that any interest as appearing from the Registers of the Society collected from borrowers contrary to By-

Laws, be refunded to them from the profits of the Society from the year commencing from 1st. July 1920, the refund to be made as follows:- one-fifth of the profits of every such year to be distributed rateably among such borrowers until such time as the whole of the amount wrongly collected is paid off. But at a subsequent meeting held on 13th. March 1921 which took place after the said defalcation came to light, the General Body cancelled the above resolution and further resolved that the amount of Rs.192-10-10 set apart for the Common Good Fund be added to the Reserve Fund with a view to strengthen it against the threatened loss which they assumed would be met entirely from the Reserve Fund- an assumption which was further strengthened by the then recent assurance of Mr. Hemingway, the Registrar. This shows conclusively that the members were of opinion that the Reserve Fund could be drawn upon to pay the Very Rev. Fr. Lunazz: in the event of the suit being decided against the Society What the members did forego has evidently been going to the Reserve Fund and not as dividend to shareholders as the profits even otherwise have been large enough to pay the maximum dividend

8. The decision of the Registrar, however, entailed the loss of dividend and such of the members as agreed to forego the excess collected from them found that they had lost both that and the dividend in hopes of which they had made the sacrifice. Consequently they resolved at the General Meeting held on 18th. March 1923 that in consideration of the above circumstances the dividend of the year under report, 1921-22, be paid out of the excess penal interest illegally collected.

9. Whatever might be the official interpretation of the word " loss " whether loss on individual items or net loss, it is obvious that the loss sustained by the Society on account of the defalcation was an extraordinary loss. Admitting the Registrar's contention that the Resrve Fund could not be used to meet a loss on a particular item such as, to quote his own instance, in the purchase of a consignment of rice in a Stores Society, we would point out that the loss of our Society was not occasioned by any

item entering into the normal working of the Society but that it was extraordinary loss caused by the misbehaviour of a responsible official of the Society. It stands to reason, therefore, that such a loss may be legitimately met from the Reserve Fund.

10. We had pointed ouf in our letter to the Registrar dated 10th. October /22. that the shareholders were morally entitled to a uniform dividend in view of the fact that the maximum dividend was limited to 9% and that large surpluses were added to the Reserve Fund every year after deducting the statutory contribution and the 9% dividend. We beg to submit that out of the Reserve Fund amounting to Rs. ~~26,000-~~ 26,863-0-3 at the end of 1921, Rs. 12.939-7-0 were contributed in the shape of such undistributed surpluses. While the Registrar admits the advisability of a uniform dividend being paid in a Society like ours, he declares that such payment should not come out of Capital or Reserve. We would respectfully point out that the Registrar makes no distinction between the Reserve of a Society like ours nearly half of which has come out of undistributed surpluses and the Reserve of a Society which is made up of only the statutory contribution. The hardship to the shareholders become all the greater when it is remembered that many of them have invested all their little savings in the shares of the Society and have been looking forward to the dividend as their regular means of subsistence. It is particularly this class of shareholders that were clamorous at the General Meeting and responsible for this memorial.

11. In view of the circumstances set forth above we beg to request that the Government be pleased to order that the amount paid to Rev. Fr. Lunazzi be met from the Reserve Fund. If this does not commend itself, we would lay before the Government the other proposal of the General Body, viz, that the Government be pleased in accordance with the power under the Act to sanction the dividend for the year 1921-22 from the excess penal interest which had been illegally collected from the borrowers and which was added to the Reserve Fund as shown in paras 7 & 8.

12. We have thus far discharged the obligations laid on us

by the shareholders. If both the alternatives proposed above be not acceptable, we humbly beg to make a suggestion of our own which we trust will commend itself to Government on grounds of equity and simplicity. In view of the fact that the shareholders were deprived of their dividend for the year 1921-22 contrary to positive assurances held out to them and in view of the grave hardship caused to a considerable number of the shareholders, we would respectfully propose that after deducting the statutory contribution to the Reserve Fund from the profits of the current year, the balance be distributed among the shareholders as dividend subject to a maximum of 18 per cent. We would urge that this proposal will not in any way affect the stability of the Society in as much as the claims of the Reserve Fund will have been scrupulously met. Moreover, the shareholders will have received at least a part, if not the whole, of the dividend for 1921-22 and this is certainly wished, for, as the Registrar admits " that in the case of a Society like ours the payment of uniform dividend is very desirable. But this dividend should not come from the Reserve or from Capital. " This exactly is the special merit of our proposal. A uniform dividend is more or less secured, and it does not come either from the Reserve or from the Capital, but from surplus profits. The Government is only to be pleased to exempt our Society only for one year on account of the extraordinary circumstances from the application of the rule governing the distribution of the profits, a favour for which it will earn heartfelt gratitude of the more than 1200 shareholders of our Society.

We beg to remain,

Sir,

Your most obedient servants,

Secretary,
for the members of the
Managing Committee of the
M.R.C.C.C.Society, Ltd.
Mangalore.

11

Copy of letter No.R.C.1196/22 dated 18th March 1922 from Mr.Gray to the President. The Mangalore Catholic Credit Society Ltd.,

Subject:-Reserve fund:loss to be recouped from

Ref:-Your letter No.508 dated March 3rd 1922.

It stands to reason that the loss suffered by the society in a year should be debited to the profit and loss account of that year. The Secretary who was elected by the general body of shareholders misbehaved and the loss sustained by his misbehaviour should be borne by himself and when this is not possible by the persons who appointed him, i.e., the general body of shareholders who elected him as a member of the managing committee In a limited liability society, the margin of security for the depositors is the share capital and reserve fund. So the reserve cannot in fairness to the depositors be light-heartedly reduced. But according to bylaw 58, the reserve fund is intended to meet losses incurred by the society. The loss in this bylaw means the net loss of the society as a result of its working in a particular year and not loss incurred on particular transactions Supposing for instance a stores society --which has a similar bylaw to the one which you have got--loses a sum of money in the purchase of a consignment of rice and the society as a whole has not worked at a loss for the year. Can it be said that the society will be entitled to withdraw any sum of money from the reserve fund to recoup the loss sustained in the particular consignment? The bylaw means that the reserve fund can be withdrawn only when there is an actual net loss in the working of the society. The reserve fund can be withdrawn only to that extent which is necessary to cover this loss and not enable the society to pay the dividend out of the reserve, which would be contrary to section 35 of the Co-operative Societies Act. This is the view taken by co-operative societies in other provinces of India as will be evident from the following rule framed under section 43 of the Co-operative Societies Act by the Government of Assam

"With the previous sanction of the Registrar, Co-operative societies, a registered society with limited liability

and organised on share basis may meet the loss of any year wholly or partly from the Reserve fund, provided that no dividend is paid on shares for that year."

You will thus observe that I have no objection to the loss being recouped from the reserve fund, provided that you show from the balance sheet after debiting the amount lost by misappropriation that the society is working at a loss.

Mr.Hemingway would have had no objection as you say to the loss being recouped from the reserve, but I feel certain that he would not have agreed to the payment of dividend out of reserve, as your present proposal would involve. In the circumstances I regret I cannot permit withdrawal from the reserve to pay off the creditor.

CN
24.7.25

Copy of letter R.C.4616/22 dated 5th January 1923 from Mr.Grav to the Hon Secretary The Mangalore Catholic Co operative Credit Society Ltd., Mangalore.

Subject:-Reserve fund--loss to be recouped from

Reference Letter No.639 dated the 10th October 1922, from the members of the Managing Committee of your society.

After a further detailed and careful consideration of the question whether the loss sustained by your society on account of the misappropriation by the Ex-Secretary can be met from the reserve fund, I have come to the conclusion that the position that I have already taken up in my letter No.R.C.1196/22 dated the 18th March 1922. is correct and that I cannot conscientiously depart from it I shall however go through the arguments put forward in the letter of the Managing Committee. The only fresh point which is urged in this letter and which was not urged before is that the shareholders contend that on the score that the maximum Divided they have a moral right to a uniform dividend in any year is limited to 9 per cent. They ask why they should not be permitted in lean years to draw upon the excess which has been paid into the reserve if in fat years they have been debarred from taking a dividend in excess of 9 per cent. This argument overlooks the fact that the rule limiting the dividend to 9 per cent was deliberately introduced to make societies carry such surpluses to the reserve fund and to preserve their co-operative character. A co.operative society is not a joint stock bank and no argument can be based on the analogy of the procedure in a joint stock concern, I do not say that a co-operative society should not pay a decent dividend on its capital, but such dividend should not be unnecessarily high. This is the reason why the dividend is limited to 9 per cent. The limitation is not due, as your shareholders seem to think, to a desire to secure a uniform dividend I admit that in the case of a society like yours, the payment of a uniform dividend is very desirable, but such payment should not come out of capital or reserve fund. It is true that the rules which were in force in 1917 did not permit the

the creation of a dividend equalisation fund, out of any profits which remained over and above the payment of a 9 per cent dividend but it was open to any society to set apart a portion of the profits which it could distribute as dividend to a dividend equalisation fund. That the object of the rule limiting the dividend to 9 per cent is to strengthen the reserve fund will be evident from the history of that rule. You will remember that the previous rule required all societies to pay 50 per cent of their profits into the reserve fund. When 50 per cent was changed into 25 per cent, it was laid down that the whole of the undistributed surplus should go to the reserve.

2. I regret that some of the members of the society will be hard hit by the loss of dividend but I do not see how it can be helped, except by facing courageously the extraordinary situation created by the dishonesty of the ex-secretary. It is to safeguard the credit of the society that the reserve fund is built up and when the creditors come to know that the reserve fund has not been withdrawn to pay a dividend, their confidence in the society will be strengthened. I do not think that the co.operative movement will receive a set-back as a consequence of the correct interpretaition of the rule governing the application of the reserve fund, and this opinion is based on the experience of somewhat similar cases elsewhere in the Presidency. If for good reasons a society (there have been several reasons both in the Presidency and elsewhere) does not pay dividend, it will not affect the credit of the society. If on the other hand people come to know that dividend was paid when there was no profit, the credit of a society would be seriously affected. So far as the creditors of your society are concerned a clean balance sheet published over the signature of the Assistant Registrar coupled with the fact that the reserve fund has not been withdrawn to pay dividend should infuse confidence. The extraordinary circumstances under which the loss was incurred is known to all and the present balance sheet shows how the loss was met. There is therefore no reason to fear that the movement will

will receive a set back on this account

3. As for the suggestion that the loss should be spread over a series of years I have already taken expert opinion on this point in connection with another society and I am sorry to say that it is against the suggestion. The balance sheet will not be a true statement of the financial position if the loss is not debited at once to the profit and loss account of the year. The balance of the money lost and not debited to the profit and loss account is not an asset and cannot therefore find a place in the balance sheet. I am therefore unable to accept this suggestion.

4. In conclusion I would once again impress on the Managing Committee the necessity for facing the situation boldly.

CN
27.7.23

D2407 III

6/9/23

CO-OPERATIVE DEPARTMENT.

.F. XXII-K-16 (a)—9,204—6-12-22.

In future letters, please quote No. B.2901/23 date 3/9/23 and short title

Recd. 17 Enclosures

Regd. Spare copies

Telephone No.
Post Box No.
Telegraphic address: "Co-operation".

STATION Chepauk, Madras
CAMP

Dated 3rd September

From

H.M.Hood Esq., I.C.S.,
Ag. REGISTRAR OF CO-OPERATIVE SOCIETIES.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George, Madras.

Sir,

Mangalore Catholic Co-operative Society--loss sustained by defalcation--recoupment.

p. 16 ante

Ref:-Memo No.1990-III/23-1 Dev., dated 13-8-23.

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p-4 ante

I have the honour to state that my reasons for recommending a dividend of 15 per cent instead of 18 per-cent are that in a matter of this sort the shareholders cannot expect to escape without any loss and I consider that the Reserve Fund which has already been depleted should be recouped as soon as possible. Paying 15 per cent

will

1C

will result in a much less payment to the Reserve Fund than would otherwise be made and I consider this is ample recompense.

2. The society is in a sound condition and its safety will not be seriously affected by the grant of the additional 3 per cent but it is to be observed that the Reserve fund was reduced from Rs.26,863 to Rs.20,395 and should be recouped.

I have the honour to be,
Sir,
Your most obedient servant,

Ag.Registrar. 8.9.33

CN

19

Development Department.

Mangalore Catholic Co-operative Society - Loss sustained by defalcation - Recoupment.

C.No. 1990 III -- From the Regr. of C.S. B.No.2901/23 dated 25-7-1923.

To Under Secy.

Please see the Registrar's letter and its enclosures in the c.f. The Registrar has carefully examined the three alternative requests of the Society enumerated on page 2 of c.f. He states that the first two alternative requests on page 2 c.f. -- cannot be granted. He favours the grant of the 3rd request with a slight modification viz.. that shareholders should be given a dividend or 15 per cent for one year. In the circumstances explained by the Registrar his recommendation may, it is submitted, be accepted. A draft order is submitted for approval.

Rja
8-8-23

(T) Many of the points discussed in this case have already been considered & decided upon in the analogous case of the Madras Christian Council Bank (V. G.O. No 7 dt of 19-1-23).

2. Regr's recommendation may be accepted. The Memorialists request a dividend of 18 p/c, while the Regr recommends 15%. I would submit that no reasons have been adduced by Regr to propose the reduced

X 22

pp 17-18 CF [240) III from the Regr yrs. B. 2901/23 of 3.9.23

To Under Secy

Please see the Registrar's letter on pages 17-18 CF His in for recommending a dividend of 15 per cent instead of 18 p.c. It is now that the reserve fund of rupees which has been depleted should be reconstituted as soon as possible. He further states that the Society's financial condition and its safety will not be seriously affected by the grant of the additional dividend of 3 per Cent for which order whether a dividend of 18 p.c may be allowed if so, the draft may be modified as suggested in pencil

p. 17 CF

para 2, page 18 CF

Kur 8-9-23

SI Kur 10.9.23

ll 9.9.23

As H the is disposed to allow 15 per cent and the Registrar refuses his sanction to the proposed dividend the Reserve Fund is depleted as pointed out in pencil & allowed

11 9 23

Ag

I have made a verbal alteration in the draft

Draft as amended is approved

Under Secy 11.9.23

Pme Jr. 11/9

D 31
Circ. 11/9
Ath 11/9

74

ABSTRACT.

Co-operative Societies - Mangalore Catholic Co-operative Society - Increased Dividend - Sanctioned.

DEVELOPMENT DEVEPARTMENT.

G.O.No. Mis. 1323 dated 12th September 1923.

Read the following:--

From the Registrar of Co-operative Societies, Madras,

No. B.2901/23, dated the 25th July 1923.

O R D E R:--

The Government agree with the Registrar of Co-operative Societies that the loss sustained by the Mangalore Catholic Co-operative Society Limited should not be met from the re-serve fund and that the excess of penal interest collected should not be distributed as dividend. They are however pleased to permit the society, as a special case, to declare a dividend up to a maximum of 18 per cent for this year, seeing that no dividend could be declared last year.

(By Order of the Government, Ministry of Development)

F. Noyce,
Ag.Secretary to Government.

To the Registrar of Co-operative Societies.

Forwarded to the

(By Order)

Superintendent.

G.V.K.12-9-23.